

The Stanhope Hall



Forecast Social Return on Investment Report

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Foreword

The Stanhope Hall is committed to ensuring that it provides the highest standard of service to the community that it represents and that the Hall is used for the benefit of the community. In doing so, we responded very positively to the suggestion of the Social Investment Business (SIB) to carry out a social impact evaluation on the asset transfer of The Stanhope Hall using the methodology, Social Return On Investment (SROI).

SIB, through the Communitybuilders Programme, funded almost a third of the refurbishment cost of the building including some development costs which immensely helped us in realising our objectives. We are therefore grateful for their invaluable support both financially and professionally.

The SROI analysis of the transfer of The Stanhope Hall to the community revealed a very impressive social return of £13.06 for every £1 invested in the asset transfer and the refurbishment of the building. This figure must be considered in conjunction with the story of change experienced by the stakeholders particularly the community of Horncastle and surrounding areas. We are delighted with this result which in itself is a testimony to the need for the Hall being saved for the benefit of the community. More so, it strengthens the use of the Hall as a catalysts in providing the much needed services for the community by the different community groups that use it; in fostering good relationships amongst groups and individuals; in creating economic vitality of the town; in putting the town back on the map; in creating jobs and micro-enterprises; and much more.

This report also allows us to celebrate and recognise our achievements in realising our goal.

On behalf of The Stanhope Hall Trustees, we thank everyone who supported us in making things happen. In particular, The Horncastle Town Council, East Lindsey District Council, Lincolnshire County Council, our funders, countless supporters and volunteers. Not forgetting the invaluable professional support of Magda Read of HCDL.

Cllr William J Aron
Chairman, The Stanhope Hall

1. Executive Summary

This report is an evaluation of the social impact of The Stanhope Hall Project using the methodology, Social Return on Investment (SROI). SROI is a social evaluation method that uses financial proxy to place value on the changes made to the stakeholder's lives that are not being captured in financial transactions.

The Stanhope Hall, formerly The Horncastle Town Hall was transferred to the community of Horncastle by East Lindsey District Council through the Horncastle Town Council and then to The Stanhope Hall Company. The latter manages and runs the building on behalf of the community.

The Stanhope Hall is a Company Limited by Guarantee with a charitable status. Its aim is to maintain and manage the community hall for the advancement of education and provision of facilities in the interest of social welfare for recreation and leisure time occupation, with the objective of improving the condition of lives of the residents.

The Company does not directly deliver activities to the community. Its main responsibility is the running and maintenance of the building; letting the office units and hiring the main hall, meetings rooms, bar and kitchen area to community groups, organisations, private companies and individuals for their corporate or private functions as well as to hold activities for the community i.e. judo, badminton, coffee morning, etc.

This Forecast SROI presents an analysis of the social added value delivered by the investment of £249,117 during the period August 2010 to July 2011 by the Social Investment Business (SIB) through the Communitybuilders Fund, Horncastle Town Council, East Lindsey District Council, Lincolnshire County Council, WREN, Lindsey Action Zone, Lincolnshire Cooperative, Awards for All, LALZAF, Aggregates and donations from the community groups and residents.

To establish the social impact of the asset transfer project, various methodologies were used namely: workshops, one-to-one interviews; telephone interviews; and a survey questionnaire. Secondary research was also used to find financial proxies for the identified outcomes.

The theory of change is one of the most important parts of the evaluation. It is where stakeholders give their own account of the changes they have experienced or about to experience as a result of the asset transfer.

The stakeholder groups for this evaluation compose of:

- a. The community residents
- b. The community groups and tenants of the building
- c. Local businesses
- d. Funders
- e. Horncastle Town Council

The social impact evaluation revealed that a range of outcomes were being created which include:

- Increased sense of social connection with the community amongst residents
- Improvement in general health of local residents
- Increase in sales by local 'retail' and 'food and drink' businesses based in the town centre
- Increase in units of blood collected by National Blood Services as a result of using the Hall.
- Increase in employment opportunities for the community
- **Increase in usage of the hall by community groups¹**

The total impact calculated from the Impact Map generated for The Stanhope Hall asset transfer project for the period August 2011 to July 2012 under the assumptions made is £3,253,313. The total invested to generate the total present value is £249,117. This gives a social return of £13.06 for every £1 invested in The Stanhope Hall asset transfer project.

Recommendations:

- Conduct an 'Evaluative SROI' after the project has time.
- Use this report as a marketing tool.
- Compile a register of users to monitor use of the Hall, their activities and the number of people attending their events.
- Develop more partnership work with mainstream organisations that could provide more services to the community.
- Use the findings from this report to create a formal dialogue with stakeholders to involve them meaningfully in service design and delivery
- Capture more in-depth information on users' reasons for using the Hall.

¹ This outcome can be both positive and negative (hence it is in red). The re-opening of the Hall draws in other groups who used other venues.

2. Introduction

This report is an evaluation of the social return for The Stanhope Hall asset transfer project from August 2011 to July 2012, which represents the first year of operation of the company after the refurbishment, is completed.

To measure the social impact of the asset transfer project, a methodology called Social Return on Investment (SROI) is used. This is done by giving a nominal value to **outcomes** that the organisation have achieved or would be able to achieve in future as a result of the asset transfer of the old Town Hall building and subsequently turning it into a desirable multi-purpose community centre for the benefit of the community.

Conducting SROI for The Stanhope Hall asset transfer project has several benefits. It is a means of proving the worthiness of the asset transfer initiative to The Stanhope Hall's stakeholders, supporters and partners. Additionally, the report can be a vital tool in attracting further support from funders.

2.1 What is SROI?

SROI is a framework for understanding, measuring and managing the outcomes of an organisation's activities².

SROI analyses the value that arises from changes to people's lives that are not being captured in financial transactions. This is done by using a proxy to place a financial value on the changes made. These changes are described by the stakeholders and indicators are used to assess the amount of change.

There are two types³ of SROI:

- a. Evaluative, which is conducted retrospectively and based on actual outcomes that have already taken place
- b. Forecast, which predicts how much social value will be created if the activities meet the intended outcomes

SROI is becoming widely used by organisations in measuring the social impact of their organisation or project. It identifies not just the positive but also the negative outcomes of the project.

The use of SROI in an asset transfer is still proving to be a challenge to evaluators due to lack of available guidance in this area. To ensure robust and transparent evaluation, the evaluator followed the SROI Guidance⁴ which requires every evaluator to apply the 7 principles of SROI:

² Cabinet Office (date unknown), Social Return On Investment – an introduction

³ Office of the Third Sector (date unknown), A Guide to Social Return On Investment: Cabinet Office, p. 8

⁴ ibid

- Involve stakeholders
- Understand what changes
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Verify the result

In making judgements on what is to be measured and whose objective has been measured considering that The Stanhope Hall does not directly deliver the activities held in the Hall for the community, the principle of materiality was often used.

Advice was also sought from both the New Economics Foundation (nef)⁵ and Forth Sector Development⁶. Extensive research using a variety of methodologies was carried out with the stakeholders of The Stanhope Hall to establish the theory or story of change that takes place or about to take place in their lives or businesses.

Finally, the evaluator applied the 6 stages of SROI throughout the whole process.

1. Establish scope and identifying stakeholders
2. Mapping outcomes
3. Evidencing outcomes and giving them a value
4. Establishing impact
5. Calculating the SROI
6. Reporting, using and embedding

2.2 Focus of the evaluation

Forecast SROI is being used in the evaluation. This is because the full extent of the impact of the intended change are still about to be experienced by the beneficiaries.

The focus of this evaluation is to measure the social impact of the following:

- a. the use of the Hall to deliver and hold activities to/for the community;
- b. the re-opening of the Hall on the economic prosperity of the town; and
- c. the re-opening of the Hall on the sustainability of the asset-transfer project

The idea of conducting a SROI evaluation for The Stanhope Hall asset transfer project comes from the Social Investment Business (SIB), its major funder for the refurbishment of the building and who also funded this evaluation work. This offer has been greatly welcomed by The Stanhope Hall trustees as they themselves were keen to prove that the asset transfer was

⁵ New Economics Foundation - www.neweconomics.org

⁶ Forth Sector Development – www.forthsector.org.uk

worth doing. More so, they would like to ascertain to their funders the added value of their investments in the project.



During the refurbishment



3. Scope and Stakeholders

3.1 Background of The Stanhope Hall Company

The Stanhope Hall Company, formerly called The Horncastle Town Hall Working Group was founded in 2009 to negotiate for the transfer of the former Horncastle Town Hall to community ownership. The Stanhope Hall is a registered company with Company Limited by Guarantee status and also a registered charity.

The community group has been negotiating for the transfer of the asset since 2005 after learning the plan by East Lindsey District Council (ELDC) who owned the building, to dispose it off as it has been identified as surplus to their requirements. More so, the building was not generating enough income to cover maintenance cost. Despite several years of negotiation backed up with business plans, the local authority made the decision to bulldoze the building to give way to a possible social housing site. However, the community group did not give up. Instead, they fought against the decision of the local authority. The whole community supported the community group willing to help in any way to save their much love building from demolition. The community group succeeded in raising £16,000 fighting fund from local donations to try and reverse the decision of the district council through a judicial review.



A photograph of The Stanhope Hall building when it was still boarded up

The building means a lot to the community because of its historical nature and it is a landmark in the town. More so, the community need such a facility to hold large events that bring people together; that draws in tourist to the town and helps revive the local economy; a base for local businesses that creates job for local people; etc.

The Horncastle Town Council took over the negotiation on behalf of the community and so, in early 2010, the district council transferred the building to them through a 125 year peppercorn lease. The Town Council then sub-let the building on similar terms to The Stanhope Hall Company. The long and frustrating negotiation eventually came to an end in July 2010 when The Stanhope Hall signed the lease agreement.

The company was able to raise over £200,000 in funding from 10 different sources to part refurbish the building to a high standard. A year after the asset transfer, the Company has completed 92% of the 5 year refurbishment plan agreed by them and the local authority as a condition of the transfer.

The Stanhope Hall is now a desirable multi-purpose community facility with 6 office units –all fully occupied by 4 tenants; large main hall with 350 seating capacity; 2 meeting rooms; a bar and a large kitchen. The main hall is hired by various organisations to hold events such as sports, social, entertainment, seminars, training, auctions, food fares and others. The Stanhope Hall Company relies on the hire of the facilities and the rent from the office accommodations to cover its core cost and the maintenance of the building.



The newly refurbished bar area

Since completion of the refurbishment, the facilities in the building particularly the hall have been booked to their limit. There are times when the building is operating to full capacity and regrettably, the letting agent has to turn hirers down. As a result, The Stanhope Hall Company is now looking into building an extension on the side for another meeting room.



A photograph of The Stanhope Hall after the refurbishment

3.2 The history of the building

The Stanhope Hall is a building constructed circa 1901 using a site donated by a local land owner and funds raised by public subscription. The building was originally conceived as a Drill Hall (which now would be more formally regarded as a community centre) and followed a familiar pattern for layout and style until its forced closure.

At the beginning of the Great War (1914 – 1918) the hall was indeed used as a drill hall for the training of volunteers and the assembly of soldiers recalled from the reserves and the Territorial Army.

At the same time the building was taken over by the British Red Cross and used as a temporary hospital for wounded soldiers.

In due course the building was returned to dual volunteer / community use and came into the ownership/care of the Horncastle Urban District Council, with the building being adapted on several occasions to provide better facilities for the town. Subsequently, with the 1974 local authority reorganisation over the years the building was passed into the ownership of East Lindsey District Council.

East Lindsey District Council operated the building under the name of “The Horncastle Town Hall” and provided the full range of local authority and community services from the location until the Council decided to close it down in January 2009.

3.3 Key Stakeholder Analysis

After scoping the project, the key stakeholders that will be impacted by the asset transfer project were identified. The following table lists the stakeholder group and the rationale for including them in the SROI analysis.

Table 1: Stakeholder Analysis

Stakeholder Group	Rationale
The community residents	They are the primary beneficiaries who would experience a significant impact on the asset transfer of the Hall socially, economically and culturally.
Local businesses	Benefit from the users of The Stanhope Hall who are more likely to spend money in their shops
Community groups and tenants	Benefit for having a larger, cleaner, more accessible , more affordable, improved and wider range of facilities

	<p>Benefit for the increase in membership due to having a larger venue</p> <p>Benefit for the increase in blood collection sessions by being based at The Stanhope Hall (National Blood Donors)</p>
<p>Funders for the refurbishment of the building</p> <ul style="list-style-type: none"> a. Social Investment Business b. Lincolnshire County Council c. East Lindsey District Council d. WREN e. Lindsey Action Zone f. Lincolnshire Cooperative g. LALZAF h. Aggregates i. Awards for All 	<p>Without their funding, the building would not have been refurbished. Each funder has outcomes to meet by investing on the refurbishment of the building. Their outcomes have been consolidated to form common outcomes for all of them.</p>
The Town Council	<p>Benefits for the increased confidence and increased awareness of local communities on what they do because of their involvement as the main leaseholder of the building.</p> <p>Also helped fund the refurbishment of the building.</p>

3.4 The Theory of Change

To effectively understand the theory, or story of change for the stakeholders chosen for the study, it is important to be clear on the scope of the evaluation.

The SROI analysis looked into detail at the added value created during the period August 2011 to July 2012. It also looked at investment and added value during the period August 2010 to July 2011. Although there were some investments made in to The Stanhope Hall asset transfer project prior to July 2010, only those investments that were carried forward during this period were included. This is due to the fact that they were not spent directly on the activities to be measured. More so, these investments were difficult to trace

because The Stanhope Hall Company (formerly the Horncastle Town Hall Working Group) has been negotiating for the asset transfer since 2005.

The aim of The Stanhope Hall is to maintain and manage the community hall for the advancement of education and provision of facilities in the interest of social welfare for recreation, leisure time occupation with the objective of improving the condition of lives of the residents.

The Company does not directly deliver any activity in the building. The building is open to any organisation, groups or individuals in Horncastle and surrounding areas who are interested in hiring the facilities to hold events for the local community or for their personal or corporate functions.

The Company's main activities are:

- a. the management and running of the building to ensure it is kept in good condition;
- b. the letting and hiring of the building and its facilities for community and commercial use.
- c. to generate enough income from lease and hire for the sustainability of the building and the Company.

The Company's Objectives are:

- To retain, build upon and develop the economic activity and subsequent benefits, (both social and economic) of the previous uses of the hall.
- To recover the community activities which used to form part of the life of Horncastle, which have been lost through the closing of the Hall.
- To facilitate the delivery of social, educational, cultural, leisure and arts events and to encourage wide participation by members of the local community.
- To create additional space and facilities for community use.
- To raise income to support the charitable objects of the company.
- To provide a facility for small and start-up businesses to thrive and grow enhancing the contribution of the hall to the economy of the town.
- To help contribute towards the enhancement of the old market town, by ensuring the hall is a high quality facility adding to the general prosperity and involvement of the town.
- To help contribute to the overall regeneration of the area through job creation and retention, tourism and the widest possible range of private and community events.

- To raise the profile of Horncastle as an accessible centre for events in East Lincolnshire.
- To contribute to the life of Horncastle and its surrounding area by enabling citizens to play a larger part in the local community, both directly, through the charitable company and indirectly through participation in user groups.
- To actively promote and market The Stanhope Hall to turn it into a sustainable social enterprise creating employment opportunities and run by the people of Horncastle and district for the people of Horncastle and district.
- To contribute to ELDC and Lincolnshire County Council's achievement of National Indicators.
- To work in partnership with statutory and voluntary organisations to deliver the much needed services for the residents.

The building is the catalyst in achieving the desired change brought about by the **retention, refurbishment and hiring/letting of the building** for community ownership and use. Hence the outcomes to be measured need to be directly linked to these activities.

It can be argued that the activities delivered by the tenants and hirers of the building were those that contributed to changes in people's lives. However, the people whose lives have been affected had acknowledged that without the building, most of those activities may not have taken place in the area. Further, that the building has contributed to the realisation of those activities offered for local people and the impact they create. For this reason, the impact of those activities (that may not have taken place without the building) belongs to The Stanhope Hall project.

The desired outcomes however, have been identified by the stakeholders through various consultation exercises with them. They believe that without the building, these outcomes may not have been met. (See Appendices A and B).

3.4.1 Change from the perspective of the community residents

To determine the story of change from the community residents as well as from the community groups' perspective, the '**community needs**' (as the business case for the asset transfer of the building from the local authority) has been taken into account.

The Stanhope Hall Business Plan January 2010 has identified various reasons for the asset transfer such as the retention of:

- public space for weddings, shows and community events
- opportunities for cultural events

- opportunities for training and sports events

A survey conducted with community residents who attended the drop-in session at the Hall in August 2011 revealed that community residents were beginning to notice/feel/see a difference in Horncastle as a result of the retention and refurbishment of the Stanhope Hall in the following areas:

- a. Building the Horncastle economy
- b. Development of social activities
- c. Recovery of community activities which used to form part of the lives of local people
- d. Retention of historical building
- e. Putting Horncastle on the map

The result of the survey is as follows:

Building the Horncastle economy

Sixty three percent of respondents agree that the Stanhope Hall is playing a vital role in building the economy of Horncastle. Below are the reasons why respondents thought this was the case.

- *People are more positive about the venue and the area*
- *It is a good entrance to the town*
- *It gives a sense of community*
- *It is good for the town*
- *It brings people together; excellent meeting place*
- *We were able to form Horncastle judo club*
- *More interested visitors and new shops opening, general feeling of optimism*
- *More 'belonging' to the community*
- *Return of events*
- *A meeting place for the public and good parking*
- *People in town talk about events at the hall and put money into them*
- *Pride in the Hall*

Development of social activities

Eighty one percent of respondents believe that The Stanhope Hall is contributing to the development of social activities. The following are what the respondents have said about this on their forms.

- *Events held through the year*
- *More and more groups are joining*
- *A venue for our events*
- *Return to community spirit shown in local people's efforts and participation in events*
- *Clubs and activities available to everyone*

- *We bring players in from surrounding villages*
- *Something affordable for all*
- *More activities*
- *People are making more of an effort*
- *No other premises like this to hold such events*
- *Badminton, Fit as fiddle, etc.*
- *Encouraging new businesses with medium cost office space*



Recovery of community activities which use to form part of the lives of local people

Eighty one percent believe that The Stanhope Hall is contributing to the recovery of community activities which use to form part of the lives of local people. The following are what respondents thought are the reasons for this.

- *Garden show and auctions*
- *More people are joining*
- *Getting more people involved including the youth in the area*
- *Judo, sales i.e. auctions which pulls in surrounding communities*
- *Especially for the auctions*
- *We were able to re-introduce judo back to Horncastle and The Stanhope Hall*
- *Successful auction, coffee morning, etc*
- *Keeping community together*
- *Poultry fair; blood donors*
- *Training room for local groups*
- *Sales, games, etc*
- *Full refurbishment service*
- *Horncastle show and auction*

Retention of historical building

Eighty eight percent of respondents believe that The Stanhope Hall is contributing to the retention of a historical building. Below is what the respondents said about this.

- *Part of the town*
- *Most important to Horncastle*
- *We need to have pride in our town*
- *A fantastic venue has been preserved*
- *Saving a building which was donated to the local people and refurbishing it so that it continues to be used*
- *Always good to retain a building and put it to good use for future generation*
- *This hall made a big wave locally*
- *Part of our past, many memories of it*
- *So much better for the town now that it is not boarded up*
- *Age and beauty of the building*
- *Found old artefacts in the building*

Putting Horncastle into the map

Forty four percent believe that The Stanhope Hall is contributing to 'putting Horncastle into the map'.

- *On how to get community together to save a building*
- *Might be noted in the future that we stand up for what we believe in*
- *A distinctive building brought up to-date*
- *We have brought other judo clubs for contest*
- *Needs to as it is an important market town in Lincolnshire*
- *Publicly, has been beneficial*

The community residents are the main beneficiaries of the asset transfer project. They fought long and hard along with the Stanhope Hall Company, to save the building from demolition.

"Might be noted in the future that we stand up for what we believe in"
(Quote from a local resident who completed the questionnaire)

"If the building had been demolished or left decay, there would be no place to hold all the activities that a town like Horncastle needs."

For the community residents, the building is full of sentimental value because of its history.

"This building is part of our past, many memories of it"

Despite the availability of other venues in the town, there was no building like the Horncastle that can hold large events for the public.

"Every community need a public space of this kind"

Various outcomes have been identified as a result of the survey and the other consultation exercises such as the workshop. These are as follows:

- Increased sense of social connection and community cohesion.
- Improved physical health of local people as a result of accessing health and well-being activities provided at the Hall through Active 60, Palate' and other sports/leisure activities i.e. judo, indoor curling, badminton, etc.
- The reduction of CO2 emission as local people do not need to travel that far to go to work and attend events at the Hall.
- Better feeling of self-enablement by achieving something extraordinary.
- The salvation/preservation of a building with historical and cultural relevance/affiliation to the community
- Increased activities for young people that get them off the street

3.4.2 Change from the perspective of community groups and tenants of the building

Community groups

There are at least 50 different community groups and local organisations that use The Stanhope Hall for various activities, either social or corporate. Most of these activities are aimed at improving the lives of local residents.

The following table lists the current main users' activities, the frequency of their booking and the estimated number of people that attend each event.

Table 2: Activities held at the Stanhope Hall

Activities	Frequency of booking	Estimate no. of attendees
Craft Fair	4 times a year	300 per event

Robert Bell Sales	Monthly	500 per event
Lincolnshire Co-op AGM	Annual	150
Co-op Managers' meeting	Quarterly	20 per event
Judo Club	Twice weekly	40 per session
Antique Fairs	Quarterly	300 per event
University of Third Age (U3A meetings	Monthly	140 per month
U3A Open Day	Annual	250
Town Council meetings	Monthly	15 – 25
New Age Kurling	Weekly	24 per session
Badminton	Weekly	20 per session
ELDC Fitness session	Weekly	8 per session
ELDC Seminar (LSP)	Annual	100
ELDC Stakeholders' meeting	Quarterly	30
Vitality	Weekly	15
Stickmakers	Monthly	25
Young Farmers Balls	6 monthly	250 each event
Art Exhibition	Annual	500
History Day	Annual	500
Powerlifting	Annual	200
Wedding Receptions	3/ 4 per year	150 each
Christmas Party / Dance	Annual	100 each event
Tiny Tots Sale	Annual	400
Discos	3/4 per year	250
Training Course	8 weeks	15 per session
CVS - Seminar	Annual	50

Tenants

All the office units in the building have reached full occupancy level five months after the asset was transferred to The Stanhope Hall and even before the refurbishment of the building had started.

The current tenants are:

1. National Red Cross – occupying a ground floor unit in the rear of the building as their regional headquarter and a training room on the first floor.
2. Red Hall Composting – a recycling company, occupying two units in the ground floor for their administration headquarters.
3. AlphaCare – a private care company, occupying 1 unit on the first floor for their main office.
4. Fitness Works – a fitness company, occupying 1 unit for a fitness suite and a therapy room.

Different methods of data collection such as one-to-one interview, telephone interviews and questionnaires, were used to obtain the story of change from the community groups that hire the facilities at the Hall.

In addition to the survey, the following case studies have also been compiled to capture more closely the change that has already taken place and about to be experienced by some of these groups.

Horncastle U3A – regular user of the Hall

The Horncastle (University of the Third Age (U3A) is a self-help, self-managed lifelong learning cooperative for older people that provides opportunities for members to share learning experiences in a wide range of interest groups and to pursue learning not for qualifications.

The group moved to The Stanhope for a bigger space. The group uses the Hall every first Tuesday of the month for their members to meet. The following is a quote from the group.

“The Greatest benefit of using The Stanhope Hall is our ability to accommodate a larger number of members at the meetings. Our membership has had to be restricted so that we did not breach the fire regulations at our previous venue. Moving to The Stanhope Hall allows us to promote U3A without fear of the embarrassment of turning people away. We do feel confident our membership will increase by 50% in the next two years.”

Horncastle Swimming Club - user of the Hall, bar and kitchen area

The Swimming Club is using The Stanhope Hall for their annual Swimming Club presentation. The club has a membership of over 100 children, mostly between 5-16 years old. According to Jackie, they moved to The Stanhope Hall because they needed a bigger venue with more a reasonable price. She added that before the building was refurbished, the toilets were poor and the building looked like a big old shed. Now, they were impressed with the improved facilities in the Hall including the kitchen and bar area. The toilets were excellent too.

AlphaCare – tenant and employer

AlphaCare, one of the longest standing nursing and care service providers in the Horncastle and surrounding area, has moved to The Stanhope Hall in January 2011. The company occupies one office unit on the first floor of the building. Before moving to The Stanhope Hall, AlphaCare had an office in a site in Horncastle. The Managing Director said that their previous office was dirty with numerous health and safety risks that the landlord was not willing to resolve which meant they have to leave the building to ensure a safe working environment for staff. The Company looked round but they could not find any suitable office space in the area until The Stanhope Hall was made available. According to the Managing Director, “The Stanhope Hall is the best office they have had since they moved to Horncastle 12 years ago. It is safe, secure, warm and with no health and safety issue”.

The Red Cross relocated their regional office in the building in January 2011. According to them, the project has enabled them to relocate to a larger and more central location which is giving them a higher profile for the people in Horncastle and surrounding area. Meanwhile, the result of the workshop with stakeholder groups revealed that the community of Horncastle greatly welcomed the presence of Red Cross in the area.

A community group that uses the Hall regularly for sports activities such as badminton also noted:

“No facilities in Horncastle like The Stanhope Hall for badminton at reasonable cost”

The outcomes identified from community groups and tenants are:

- Increase in units of blood collected by the National Blood Service as a result of using the Hall.
- Increase in membership by community groups using the Hall.
- Improved health and safety of staff

3.4.3 Change from the perspective of local businesses

The result of the workshops carried out with the key stakeholders of The Stanhope Hall revealed that “local businesses would benefit from the re-opening of the Hall by drawing in visitors to the town that would spend money in the shops”. This outcome has been verified by conducting a one-to-one interview with at least 25 ‘retail’ and ‘food and drink’ businesses based in the town centre. This sample represents 33% (75) of the total businesses in question or 30% (83) of the total businesses based in the town centre.

According to East Lindsey District Council (ELDC) data for the Commercial Profile of Horncastle in 2011⁷, “Horncastle’s economy is based around three key volume clusters which the wider economy supports: Construction; Food and Drink; and Retail.”

The ‘Retail’ and ‘Food and Drink’ businesses were chosen because of their likelihood to benefit more from the re-opening of the Hall in comparison with the other type of businesses such as Construction. Out of the 25 surveyed, 4 did not make any comment. The outcome of this survey is as follows:

⁷ East Lindsey District Council, 2011: Horncastle – A Commercial Profile 2011

- 11 out of 21 (52%) businesses that were interviewed felt that the re-opening of the Hall would contribute to 10% increase in their customer base and turn-over in the next year.
- 4 out of 21 (19%) felt that the Hall would not contribute to the increase of their customer base/turn-over at all.
- 6 out of 21 (29%) were unsure whether the Hall could contribute to the increase in their customer base/turn-over.
- The closer the Hall to the shop/business establishment is, (regardless of the type of business), the more confident the shop/business owner is to get an increase in customer base from the users of the Hall and vice versa.

In measuring the impact of the Hall on local businesses, the predicted 10% increase in the customer base and turn-over of the 75 businesses operating in 'Food and Drink' and 'Retail', were used against the average earning (which is £500,000) of this type of businesses per year. The statistic was obtained from ELDC's Horncastle Commercial Profile in 2011.

But, it is not just the businesses named above that were affected by the change in increased economic gain. There is also one business that is a recipient as well as a driver of that change. The below case study explains this.

Robert Bell and Co – Auctioneers who use the Hall regularly

Robert Bell and Co holds their Auctions at The Stanhope Hall ten occasions a year on three consecutive days per month. The event attracts around 500 people from different parts of the country. The company reported that the attendance at their sales is back to the old levels that they were when they used the Hall before its closure in January 2009. During the closure, the company moved to their sale room somewhere in town which was not big enough to accommodate large numbers of people. When the company moved back to The Stanhope Hall after the asset transfer, the number of people attending their sales has trebled from the numbers that attended at their temporary sales room. The company reckoned that their turnover has probably about doubled as a result.



3.4.4 Change from the perspective of the funders

The funders for the refurbishment of The Stanhope Hall have set their own outcomes as a condition for giving the funding to The Stanhope Hall Company. All these outcomes have been consolidated to form common outcomes as follows:

- Increased access, usage and sustainability of the building
- Job creation and supporting the development of micro-enterprise
- Increased tourism and the development of the local economy
- Increased community groups' usage of the hall

3.4.2 Change from the perspective of The Town Council

The Horncastle Town Council is the head lease holder of the building. They negotiated for the asset transfer of the building from East Lindsey District Council on behalf of the community of Horncastle.

The Council has identified the following outcomes from their involvement with the project.

- Greater ability to work with local residents
- Local residents have more confidence and respect for the Town Council
- Better awareness by the community on what the Town Council can accomplish

4. Outcome and Evidence

4.1 The Investment

The investment made to The Stanhope Hall asset transfer project during the period August 2010 to July 2011 is £249,117.

See attached Impact Map Part 1 for more details.

4.2 The outcomes

The social impact evaluation revealed that a range of outcomes were being created by The Stanhope Hall asset transfer project. However, only those that can be monetised are included in the Impact Map such as the following:

- Increased sense of social connection with the community amongst residents
- Improvement in general health of local residents
- Increase in customer base and turn-over by local 'Retail' and 'Food and Drink' businesses based in the town centre
- Increase in units of blood collected by the National Blood Service as a result of using the Hall.
- Increase in employment opportunities for the community
- **Increase in usage of the hall by community groups⁸**

4.3 Data sources and indicators used

To establish the story of change directly from the people who have been affected, by the change brought about by the project, various primary research methodologies have been used:

Workshop

A workshop with different stakeholder groups made up of representatives from the following groups was carried out to establish 'what matters' to these groups and their beneficiaries as far as their contribution to the development of the project, was concerned:

- a. The Stanhope Hall Committee
- b. East Lindsey District Council
- c. Lincolnshire County Council
- d. Horncastle Town Council
- e. Tenants and hirers of the Hall

⁸ This outcome can be both positive and negative (hence it is in red). The re-opening of the Hall draws in other groups who used other venues (both commercial and non-commercial) when it was closed down.

The outcome of the workshop has been used to formulate a questionnaire for the community residents, community groups, local businesses and the rest of the funders.

One-to-one interview

A structured one-to-one interview was conducted with local businesses, tenants, hirers and a representative sample of community residents.

Telephone interview

A telephone interview was used to obtain relevant data from ELDC and the Lincolnshire Research Observatory for determining the financial proxy of some of the outcomes. This method is also used to follow up responses from some community groups and tenants for the case studies.

Survey questionnaire

A survey questionnaire has been handed out to community residents, community groups and visitors who attended the drop-in session held in August 2011 at the Hall. A different type of survey questionnaire was also emailed to funders, community groups, tenants and hirers of the Hall.

In addition to the above methodologies, secondary research has also been used such as the internet, published documents, Lincolnshire Observatory Research Observatory data, ELDC data, National Census Statistics Office data and reports, National Blood Donor Service UK, etc. This was vital when looking for proxies to monetise the outcomes identified.

4.4 Financial proxy

As highlighted earlier, the activities delivered in the building by the tenants and hirers are those that contribute to the change that were experienced by the users of the building. However, to effectively track the theory of change, only those that are directly related to the **'retention, refurbishment and hiring/letting of the building'** are to be measured and be given monetary value in order to calculate the social impact ratio of the asset transfer project.

Most of the outcomes that were measured are deemed intangible. However, not all the outcomes can be financialised. The availability of financial proxies to monetise the value of the outcome is one of the deciding factors on which outcome to consider for the Impact Map.

Other factors that contributed to the lack of monetisation of the outcomes hence their exclusion from the impact map were:

- a. Difficulty in quantifying the outcome due to the length of time it requires for beneficiaries to feel and experience the change

- b. The availability of data relevant to the outcome
- c. Lack of time and resources in carrying out more detailed research with the beneficiaries.

5. Impact

5.1 Calculating deadweight, attribution and drop-off

In calculating the impact, the following formulae were used:

This needs to be read in conjunction with the Impact Map for better understanding.

First, the quantity of each outcome was multiplied by the value of the financial proxy. This gives the total value of the outcome.

For example in the outcome, *"Increase in employment by local residents,"* the value of the financial proxy is £12,449 times the quantity of 20 - the number of additional employees recruited by the tenants of The Stanhope Hall since they moved to the building. (See Impact Map Part 2)

Total outcome	£12,449 x 20	= £248,980
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Calculating the deadweight

To calculate the deadweight, the total outcome is deducted from the percentage of the deadweight (or what would have happened anyway). For this particular outcome, 40% was allocated to 'deadweight, the fact that the individual employee could have contributed to the achievement of the outcome.

Less deadweight	£248,980 – 40% (or 60% of £248,980)	
	.60 x £248,980	= £149,388

Calculating the attribution

Deduct the percentage of attribution (how much the change was down to others) from the last figure above. 50% was allocated to attribution, the fact that the employers played a vital role in the creation of those jobs as well as the development of their businesses. The inclusion of this outcome was mainly on the use of The Stanhope Hall as a base for several micro-enterprises that helped in achieving the outcome.

Less attribution	£149,388 – 50% (or 50% of £149,388)	
	.50 x £149,388	= £74,694

Calculating the Drop-off

Deduct a fixed percentage from the remaining level of outcomes at the end of each year.

According to the SROI Guidance, "the guidance for using SROI for an asset transfer is to focus on one year only and to emphasise that the SROI only examines the social value created by inputs that were necessary for that activity in that one year. The inputs would be the costs of the activity".

In this case, no drop-off was included in all the outcomes identified.

See Appendix C for deadweight, attribution and displacement assumptions on the identified outcomes.

5.2 The total impact

The total impact from The Stanhope Hall asset transfer project for the period under analysis August 2011 to July 2012 is determined as £3,253,313.

There are other aspects of value creation that this evaluation was not able to explore due to several factors as highlighted earlier in the report. This and the reason for their exclusions are noted under section 7 of this report "Audit Trail". This could be something that The Stanhope Hall could follow up in future by conducting an Evaluative SROI.

6. Social Return Calculation

6.1 Calculation of the social return

In calculating the social return, the following formula was used:

$$\text{SROI ratio} = \frac{\text{Present value}}{\text{Value of inputs}}$$

$$\text{NPV} = \frac{\pounds 3,253,313}{\pounds 249,117} = \pounds 13.06$$

The impact evaluation represents a social return of £13.06 worth of social value for every £1 invested in The Stanhope Hall asset transfer project.

The analysis suggests that The Stanhope Hall is meeting its aims, objectives and outcomes expected of it by its stakeholders. It is creating a range of outcomes over and above those being invested in.

6.2 Sensitivity analysis

One purpose of the sensitivity analysis is to understand which changes have a significant impact on the overall social return ratio. Additionally, to vary the assumptions which have the most power to affect the results.

The outcome that has the biggest impact is, *the increase in customer base/turn-over by local 'retail' and 'food and drink' businesses based in the town centre*, which created an impact value of circa £2.8m. The impact on social return for changing the deadweight and attribution percentage of this outcome (currently at 15% and 25%, respectively) would dramatically change the social return ratio of The Stanhope Hall asset transfer project.

The improvement in general health conditions of local residents is another outcome that has the highest impact value. However, the percentage of deadweight and attribution for this outcome were already very high. Increasing the percentage of deadweight and attribution would decrease the social return ratio.

Other factors that could contribute to the change in social return ratio are the following:

- 'Drop of' was not considered in the calculation due to the fact that only one year was accounted for as per SROI Guidance. Should this have been taken into account, the SROI ratio would have gone down each year. The value of each impact in future years could be discounted to net present values, using a discount rate of 3.5%.

- The value of the building, which is £NIL, that was considered for this report was the valuation from Pygott and Crone prepared for the Horncastle Town Council on the 8th of June 2010; against its market value released by ELDC which was £300,000. Using Pygott and Crone's valuation has a strong bearing on the social return ratio of the project.

The following illustrates this.

Building valued at £NIL

$$\text{NPV} = \frac{\pounds 3,253,313}{\pounds 249,117} = \pounds 13.06$$

Building valued at £300,000

$$\text{NPV} = \frac{\pounds 3,253,313}{\pounds 549,117} = \pounds 5.92$$

The difference on the social return ratio on each of the valuation is 45.5%.

7. Audit trail

The purpose of the audit trail is to give reason for the decisions made about materiality – why something is not included as it was not considered to be materially significant to the analysis.

Table 3 - Stakeholders identified but not included in the analysis and the reason for exclusion, are presented in the table below

Stakeholder Group	Rationale for not including
The Stanhope Hall Committee	The aim of the project is to benefit the community and their support financially or otherwise, is for the community not for themselves.
Letting agent	Letting agent who administers the letting and booking of the building. They were already included under the 'local businesses group' as well as the 'community and tenant group'.
East Lindsey District Council	They were already included under the 'funders' group'.
Lincolnshire County Council	They were already included under the 'funders' group'.
Individual funder	Every effort was made to take into account every funder's views. However, the variation of their inputs and outputs means that it was harder to report the outcomes for each and every one of them.
Employees of the tenants at the Hall	They were considered under 'community residents'.
Other community groups not based or not using The Stanhope Hall for their activities	Not materially significant as they were not impacted on the project.

Only those outcomes for which there were sufficient data to base the calculations on were included in the social return projections.

As well as the headline outcomes included in the Impact Map, the evaluation also modelled a ranged of other benefits that stakeholders and partners believe were met as a result of the asset transfer. These are noted in Table 4.

Table 4 - Other outcomes identified that were not included

Stakeholder	Outcomes	Rationale for not including
Community residents	<ul style="list-style-type: none"> a. The reduction in CO2 emission as local people not needing to travel as far to go to work and attend events at the Hall. b. Better feeling of self-enablement by achieving something extra-ordinary. c. The salvation/preservation of a building with historical and cultural relevance/affiliation to the community. d. Increased activities for young people that get them of street. 	<p>Too complex to evaluate at this stage. Need more data on regular users of the hall; how far they travel to attend events at the Hall, etc.</p> <p>Need a credible financial proxy to measure this.</p> <p>Need a credible financial proxy to measure this.</p> <p>Very low incident of crime caused by young people in Horncastle hence this outcome is not materiality significant.</p>
Local businesses	<ul style="list-style-type: none"> a. Increase in turn-over by an auctioneer using the building 10 occasions a year; 3 consecutive days a month. Note, this is different to impact created by tourism on local businesses. 	<p>The figures for the increase in turn-over by the local auctioneer as a result of using The Stanhope Hall cannot be released due to the sensitivity of the information.</p>
Community groups and tenants	<ul style="list-style-type: none"> b. Increased in membership by community groups using the Hall. c. Improved health and safety of staff 	<p>Lack of time to research all the community groups who have benefited for this outcome.</p> <p>Lack of time and resources to investigate the</p>

		improvement in health and safety of staff.
Funders	a. The refurbishment of the Hall that leads to increased access, usage and sustainability of the building	The beneficiaries are the community hence this is not relevant to include. However, the fact that the building is becoming sustainable, which means more people/groups/organisations are using and accessing it, creates a range of outcomes for stakeholders. These outcomes were the one that were included in the Impact Map.
Town Council	a. Improved environmental landscape of the town	Lack of data to financialised this outcome.

Table 5 - Financial proxies not included and the reason for excluding them

Financial proxies	Rationale for not including
Freeing up resources associated with benefit cost	This proxy was originally considered for the outcome about "increase in employment", however, a more credible proxy which is the 'average earning of people in East Lindsey' was used instead.
Value of volunteering per hour based on Annual Survey of Hours and Earnings	The 'average earning of people in East Lindsey' was again used to monetise the 'volunteers time' spent to calculate the total investment on the project.
The real cost of unemployment is £61billion a year – published report by James Chapman, 2007	This proxy was considered for the 'increase in employment' outcome but again, the average earning of people in East Lindsey is a more credible proxy to use.

8. Conclusions and Recommendations

The social return of the Stanhope Hall's asset transfer project suggests that the organisation has delivered over and above what they set out to do for the community of Horncastle and surrounding areas.

It proves the 'need' of the asset transfer project and acknowledges the hard work and commitment of The Stanhope Hall Committee, The Horncastle Town Council, volunteers and all the supporters of The Stanhope Hall.

Finally, it could give reassurance to funders on the added value that their investment had created.

However, in interpreting the social return of the project, the story of change from the stakeholders should be considered alongside it.

Recommendations for The Stanhope Hall Company arising from this evaluation include:

- Conduct an 'Evaluative SROI' after the project has time.
- Use this report as a marketing tool.
- Compile a register of users to monitor use of the Hall, their activities and the number of people attending their events.
- Develop more partnership work with mainstream organisations that could provide more services to the community.
- Use the findings from this report to create a formal dialogue with stakeholders to involve them meaningfully in service design and delivery
- Capture more in-depth information on users' reasons for using the hall.

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The Stanhope Hall Business Plan, January 2010

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